

TRAFFIC TERMINATION AGREEMENT

by and between one or more of

Illinois Bell Telephone, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, Nevada Bell Telephone Company (a Nevada corporation), The Ohio Bell Telephone Company, Pacific Bell Telephone Company (a California corporation), The Southern New England Telephone Company (a Connecticut corporation) and Southwestern Bell Telephone Company (a Missouri corporation), and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin

and

Lakefield Communications, Inc.

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TRAFFIC TERMINATION AGREEMENT

This Traffic Termination Agreement ("Agreement") is by and between one or more of the SBC Communications, Inc.-owned incumbent Local Exchange Carriers ("SBC-owned ILECs") Illinois Bell Telephone, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, Nevada Bell Telephone Company (a Nevada corporation), The Ohio Bell Telephone Company, Pacific Bell Telephone Company (a California corporation), The Southern New England Telephone Company (a Connecticut corporation) and Southwestern Bell Telephone Company (a Missouri corporation), and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin (only to the extent that the agent for each such SBC-owned ILEC executes this Agreement for such SBC-owned ILEC and only to the extent that such SBC-owned ILEC provides Telephone Exchange Services as an ILEC in each of the state(s) listed below) and Lakefield Communications, Inc. ("LEC") (a Wisconsin corporation) in their capacities as non-competing Local Exchange Carriers ("ILECs"), and for the traffic exchanged between their customers located in separate and discernible exchanges.

WHEREAS, the Parties are entering into this Agreement to set forth the respective obligations of the Parties and the terms and conditions under which the Parties will 1) terminate local and toll traffic on each others networks, 2) pass transiting traffic across each others facilities and, 3) interconnect their networks;

WHEREAS, This Agreement is an integrated package that reflects a balancing of interests critical to the Parties. The Parties agree that their entry into this Agreement is without prejudice to and does not waive any positions they may have taken previously, or may take in the future, in any legislative, regulatory, judicial or other public forum addressing any matters related to the same types of arrangements covered in this Agreement.

WHEREAS, this Agreement is based upon certain technical, network and OSS attributes and limitations, and is consistent with the laws and regulatory requirements of, the respective State of Wisconsin ("Applicable State"). Thus, recognizing there are differences between the technical, network and OSS attributes and limitations of the various SBC-owned ILECs and LEC and between the laws and regulatory requirements of various states, the Parties acknowledge and agree that this Agreement shall only apply to the Applicable State(s) and shall be limited to the exchange/termination of ILEC to ILEC traffic in such State(s).

NOW, THEREFORE, the SBC-owned ILEC(s) and LEC hereby agree as follows:

1. **DEFINITIONS.** Except as otherwise specified herein, the definitions set forth below in this Section shall apply to all Sections and/or Appendices contained in this Agreement. To the extent that there may be any conflict between a definition set forth in this Section and any language in another Section or Appendix, the language set forth in such other Section or Appendix shall control with respect to that Section or Appendix.
 - 1.1 **"Affiliate"** is As Defined in the Act.
 - 1.2 **"Applicable Law"** means all laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, tariffs and approvals, including those

relating to the environment or health and safety, of any Governmental Authority that apply to the Parties or the subject matter of this Agreement.

- 1.3 **“Automated Message Accounting” (AMA)** is a structure inherent in switch technology that initially records Telecommunication message information. AMA format is contained in the Automated Message Accounting document published by Telcordia (formerly known as Bellcore) as GR-1100-CORE, which defines and amends the industry standard for message recording.
- 1.4 **“Automatic Number Identification” (ANI)** means the number transmitted through the network identifying the calling party.
- 1.5 **“Business Day”** means Monday through Friday, excluding holidays on which the applicable SBC-owned ILEC does not provision new retail services and products.
- 1.6 **“Calling Party Number” (CPN)** means a Signaling System 7 “SS7” parameter whereby the ten (10) digit number of the calling Party is forwarded from the End Office.
- 1.7 **“Claim”** means any pending or threatened claim, action, proceeding or suit.
- 1.8 **“Commission”** means the applicable State agency with regulatory authority over Telecommunications. Unless the context otherwise requires, use of the term **“Commissions”** means all of the thirteen agencies listed in this Section. The following is a list of the appropriate State agencies:
 - 1.8.1 the Arkansas Public Service Commission (AR-PSC);
 - 1.8.2 the Public Utilities Commission of the State of California (CA-PUC);
 - 1.8.3 the Connecticut Department of Public Utility Control (CT-DPUC);
 - 1.8.4 the Illinois Commerce Commission (IL-CC);
 - 1.8.5 the Indiana Utilities Regulatory Commission (IN-URC)
 - 1.8.6 the Kansas Corporation Commission (KS-CC);
 - 1.8.7 the Michigan Public Service Commission (MI-PSC);
 - 1.8.8 the Missouri Public Service Commission (MO-PSC);
 - 1.8.9 the Public Utilities Commission of Nevada (NV-PUC);
 - 1.8.10 the Public Utilities Commission of Ohio (PUC-OH);
 - 1.8.11 the Oklahoma Corporation Commission (OK-CC);
 - 1.8.12 the Public Utility Commission of Texas (PUC-TX); and
 - 1.8.13 the Public Service Commission of Wisconsin (PSC-WI)
- 1.9 **“Common Channel Signaling” (CCS)** means an out-of-band, packet-switched, signaling network used to transport supervision signals, control signals, and data messages. It is a special network, fully separate from the transmission path of the public switched network. Unless otherwise agreed by the Parties, the CCS protocol used by the Parties shall be SS7.

- 1.10 **"Common Language Location Identifier" (CLLI)** codes provide a unique 11-character representation of a network interconnection point. The first 8 characters identify the city, state and building location, while the last 3 characters identify the network component.
- 1.11 **"Consequential Damages"** means Losses claimed to have resulted from any indirect, incidental, reliance, special, consequential, punitive, exemplary, multiple or any other Loss, including damages claimed to have resulted from harm to business, loss of anticipated revenues, savings, or profits, or other economic Loss claimed to have been suffered not measured by the prevailing Party's actual damages, and regardless of whether the Parties knew or had been advised of the possibility that such damages could result in connection with or arising from anything said, omitted, or done hereunder or related hereto, including willful acts or omissions.
- 1.12 **"Delaying Event"** means any failure of a Party to perform any of its obligations set forth in this Agreement, caused in whole or in part by:
- 1.12.1 the failure of the other Party to perform any of its obligations set forth in this Agreement, including but not limited to a Party's failure to provide the other Party with accurate and complete Service Orders;
 - 1.12.2 any delay, act or failure to act by the other Party or its End User, agent or subcontractor; or
 - 1.12.3 any Force Majeure Event.
- 1.13 **"Electronic File Transfer"** is any system or process that utilizes an electronic format and protocol to send or receive data files.
- 1.14 **"End Users"** means a third-party residence or business that subscribes to Telecommunications Services provided by any of the Parties at retail. As used herein, the term "End Users" does not include any of the Parties to this Agreement with respect to any item or service obtained under this Agreement.
- 1.15 **"Exchange Access"** is As Defined in the Act.
- 1.16 **"Exchange Area"** means an area, defined by the Commission, for which a distinct local rate schedule is in effect.
- 1.17 **"Exchange Service"** means Telephone Exchange Service, As Defined in the Act.
- 1.18 **"Feature Group A" (FGA)** means calls either originated by, or delivered to, an End User who has purchased switched access FGA service from the interstate or intrastate tariffs of either Party. FGA also includes, but is not limited to, FGA-like services provided by either Party, where calls are originated from and/or delivered to

numbers which are assigned to a Rate Center within one LATA but where the Party receiving the call is physically located in a LATA different than the LATA of the Party originating the call. The intercarrier compensation mechanism as well as additional definitions for FGA are specified in the appropriate Appendix FGA.

- 1.19 **"Feature Group D" (FG-D)** is access available to all customers, providing trunk side access to a Party's End Office Switches with an associated uniform 101XXXX access code for customer's use in originating and terminating communications.
- 1.20 **"FCC"** means the Federal Communications Commission.
- 1.21 **"Foreign Exchange" (FX)** means a service whereby calls either originated by or delivered to a customer who has purchased FX service from the state or interstate tariffs of either Party. FX also includes, but is not limited to, FX-like services provided by either Party where calls are originated from and/or delivered to numbers which are assigned to a Rate Center within one local calling area but where the Party receiving the call is physically located outside of that local calling area. FX service can be either interLATA or intraLATA. InterLATA FX, where the originating and receiving parties are physically located in different LATAs, is considered equivalent to FGA and the intercarrier compensation mechanism is the same as FGA. IntraLATA FX, when provided by two or more local exchange carriers "LECs", is considered a jointly provided service and meet-point billed by those providing it utilizing a mutually agreed to meet-point billing, or meet-point billing like procedure.
- 1.22 **"Governmental Authority"** means any federal, state, local, foreign, or international court, government, department, commission, board, bureau, agency, official, or other regulatory, administrative, legislative, or judicial authority with jurisdiction over the subject matter at issue.
- 1.23 **"Incumbent Local Exchange Carrier" (ILEC)** is As Defined in the Act.
- 1.24 **"Intellectual Property"** means copyrights, patents, trademarks, trade secrets, mask works and all other intellectual property rights.
- 1.25 **"Interconnection"** is As Defined in the Act.
- 1.26 **"Interexchange Carrier" (IXC)** means a carrier that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services.
- 1.27 **"InterLATA"** is As Defined in the Act.

- 1.28 **Inter-LATA Traffic** means the Inter-LATA traffic between two locations within one LATA where one of the locations lies outside of the normal local calling area as defined by the applicable Commission.
- 1.29 **“Local Access Transport Area” (LATA)** is As Defined in the Act.
- 1.30 **“Local Exchange Carrier” (LEC)** is As Defined in the Act.
- 1.31 **“Local Exchange Routing Guide” (LERG)** is a Telcordia Reference document used by Telecommunications Carriers to identify NPA-NXX routing and homing information as well as Network element and equipment designations.
- 1.32 **“Local Calls”** for purposes of intercarrier compensation, is traffic where all calls are within the same common local and common mandatory local calling area, i.e., within the same or different SBC Exchange(s) that participate in the same common local mandatory local calling area approved by the applicable State Commission. Local Calls must actually originate and actually terminate to parties physically located within the same common local or common mandatory local calling area.
- 1.33 **“Local Number Portability”** means the ability of users of Telecommunications Services to retain, at the same location, the presence of a previously existing telephone number(s).
- 1.34 **“Location Routing Number” (LRN)** is a ten (10) digit number that is assigned to the network switching elements (Central Office – Host and Remotes as required) for the routing of calls in the network. The first six (6) digits of the LRN will be one of the assigned NPA NXX of the switching element. The purpose and functionality of the last four (4) digits of the LRN have not yet been defined but are passed across the network to the terminating switch.
- 1.35 **“Local Service Provider” (LSP)** is the LEC that provides retail local Exchange Service to an End User. The LSP may or may not provide any physical network components to support the provision of that End User’s service.
- 1.36 **“Loss” or “Losses”** means any and all losses, costs (including court costs), claims, damages (including fines, penalties, and criminal or civil judgments and settlements), injuries, liabilities and expenses (including attorneys’ fees).
- 1.37 **“Mandatory Local Calling Area”** means an arrangement that requires End Users to subscribe to a local calling area beyond their basic exchange.
- 1.38 **“Meet-Point Billing” (MPB)** refers to the billing associated with interconnection of facilities between two or more LECs for the routing of traffic to and from an IXC with which one of the LECs does not have a direct connection. In a multi-bill

environment. Each Party bills the appropriate tariffed rate for its portion of a jointly provided Switched Exchange Access Service.

- 1.39 **"Mutual Compensation"** is the compensation agreed upon by the Parties for those "Local Calls" that originate on one network and terminate on the other network.
- 1.40 **"Network Element"** is As Defined in the Act.
- 1.41 **"North American Numbering Plan"** (NANP) A numbering architecture in which every station in the NANP Area is identified by a unique ten-digit address consisting of a three-digit NPA code, a three digit central office code of the form NXX, and a four-digit line number of the form XXXX.
- 1.42 **"Numbering Plan Area"** (NPA) also called area code. An NPA is the 3-digit code that occupies the A, B, C positions in the 10-digit NANP format that applies throughout the NANP Area. NPAs are of the form NXX, where N represents the digits 2-9 and X represents any digit 0-9. In the NANP, NPAs are classified as either geographic or non-geographic. a) Geographic NPAs are NPAs which correspond to discrete geographic areas within the NANP Area. b) Non-geographic NPAs are NPAs that do not correspond to discrete geographic areas, but which are instead assigned for services with attributes, functionalities, or requirements that transcend specific geographic boundaries. The common examples are NPAs in the N00 format, e.g., 800.
- 1.43 **"Number Portability"** is As Defined in the Act.
- 1.44 **"NXX" or "Central Office Code"** is the three-digit switch entity indicator that is defined by the fourth through sixth digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.
- 1.45 **"Party"** means either LEC or the SBC-owned ILEC; use of the term "Party" includes each of the SBC-owned ILEC(s) that is a party to this Agreement. "Parties" means both LEC and the SBC-owned ILEC; use of the term "Parties" includes each of the SBC-owned ILEC(s) that is a party to this Agreement.
- 1.46 **"Private Line Services"** include private line-like and special access services and are not subject to reciprocal compensation. Private Line Services are defined as dedicated telecommunications channels provided between two points or switched among multiple points and are used for voice, data, audio or video transmission. Private Line services include, but are not limited to, WATS access lines, frame relay, ATM, and DSL. The compensation mechanisms for Private Line Services are specified in the Special Services Intrastate IntraLATA Agreement.

1.47 **"Person"** means an individual or a partnership, an association, a joint venture, a corporation, a business or a trust or other entity organized under Applicable law, an unincorporated organization or any Governmental Authority.

1.48 **"Rate Center Area"** means the following in each applicable area:

1.48.1 **SBC-AMERITECH**

1.48.1.1 **"Rate Center"** means the specific geographic point that has been designated by a given LEC as being associated with a particular NPA-NXX code that has been assigned to the LEC for its provision of Telephone Exchange Service. The Rate Center is the finite geographic point identified by a specific V&H coordinate, which is used by that LEC to measure, for billing purposes, distance sensitive transmission services associated with the specific Rate Center.

1.48.2 **NEVADA**

1.48.2.1 **"Rate Center"** denotes the designated points, representing exchanges, (or locations outside exchange areas), between which mileage measurements are made for the application of interexchange mileage rates. Rate Centers are defined in PUC-NV tariff A6.2.7.

1.48.3 **PACIFIC**

1.48.3.1 **"Rate Center"** denotes the designated points, representing exchanges or district area (or locations outside exchange areas), between which mileage measurements are made for the application of interexchange and interdistrict mileage rates, as defined by the CA-PUC.A2, 2.1.1 Definition of Terms.

1.48.4 **SNET**

1.48.4.1 **"Rate Center"** means the specific geographic point and corresponding area that have been identified by a given LEC as being associated with a particular NPA-NXX code that has been assigned to the LEC for its provision of Exchange Services.

1.48.5 **SBC-SWBT**

1.48.5.1 **"Rate Center"** means an uniquely defined geographical location within an exchange area (or a location outside the exchange area)

for which mileage measurements are determined for the application of interstate tariffs.

- 1.49 **“Rating Point”** means the V&H coordinates associated with a particular telephone number for rating purposes.
- 1.50 **“SBC Communications Inc. (SBC)”** means the holding company which owns the following ILECs: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone Company, and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin.
- 1.51 **SBC-AMERITECH** - As used herein, **SBC-AMERITECH** means the applicable SBC-owned ILEC(s) doing business in Illinois, Indiana, Michigan, Ohio, and Wisconsin.
- 1.52 **SBC-7STATE** - As used herein, **SBC-7STATE** means the applicable SBC owned ILEC(s) doing business in Arkansas, California, Kansas, Missouri, Nevada, Oklahoma, and Texas.
- 1.53 **SBC-8STATE** - As used herein, **SBC-8STATE** means the applicable SBC owned ILEC(s) doing business in Arkansas, California, Connecticut, Kansas, Missouri, Nevada, Oklahoma, and Texas.
- 1.54 **SBC-10STATE** - As used herein, **SBC-10STATE** means an the applicable SBC owned ILEC(s) doing business in Arkansas, Illinois, Indiana, Kansas, Michigan, Missouri, Ohio, Oklahoma, Texas, and Wisconsin.
- 1.55 **SBC-12STATE** - As used herein, **SBC-12STATE** means the applicable SBC owned ILEC(s) doing business in Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.
- 1.56 **SBC-13STATE** - As used herein, **SBC-13STATE** means the applicable SBC owned ILEC(s) doing business in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.
- 1.57 **“Signaling System 7” (SS7)** means a signaling protocol used by the CCS Network.
- 1.58 **“State Abbreviation”** means the following:
- 1.58.1 “AR” means Arkansas
- 1.58.2 “CA” means California

- 1.58.3 "CT" means Connecticut
 - 1.58.4 "IL" means Illinois
 - 1.58.5 "IN" means Indiana
 - 1.58.6 "KS" means Kansas
 - 1.58.7 "MI" means Michigan
 - 1.58.8 "MO" means Missouri
 - 1.58.9 "NV" means Nevada
 - 1.58.10 "OH" means Ohio
 - 1.58.11 "OK" means Oklahoma
 - 1.58.12 "TX" means Texas
 - 1.58.13 "WI" means Wisconsin
- 1.59 **SWBT-AR** - As used herein, **SWBT-AR** means the applicable SBC owned ILEC doing business in Arkansas.
- 1.60 **SWBT-KS** - As used herein, **SWBT-KS** means the applicable SBC owned ILEC doing business in Kansas.
- 1.61 **SWBT-MO** - As used herein, **SWBT-MO** means the applicable SBC owned ILEC doing business in Missouri.
- 1.62 **SWBT-OK** - As used herein, **SWBT-OK** means the applicable SBC owned ILEC doing business in Oklahoma.
- 1.63 **SWBT-TX** - As used herein, **SWBT-TX** means the applicable SBC owned ILEC doing business in Texas.
- 1.64 **"Telcordia Technologies"** - Formally known as Bellcore, a wholly owned subsidiary of Science Applications International Corporation (SAIC). The organization conducts research and development projects for its owners, including development of new Telecommunications Services. Telcordia Technologies also provides certain centralized technical and management services for the regional holding companies and also provides generic requirements for the telecommunications industry for products, services and technologies.
- 1.65 **"Telecommunications"** is As Defined in the Act.
- 1.66 **"Telecommunications Carrier"** is As Defined in the Act.
- 1.67 **"Telecommunications Service"** is As Defined in the Act.
- 1.68 **"Telephone Exchange Service"** is As Defined in the Act.
- 1.69 **"Telephone Toll Service"** is As Defined in the Act.

- 1.70 "Terminating Local Call Minutes of Use" (MOLU) means the terminating Local Call conversation minutes.
- 1.71 "**Third Party**" means any Person other than a Party.
- 1.72 "**Transit**" means intermediate transport and/or switching of local traffic by a Party which neither originates nor terminates that traffic on its network and is acting solely as an intermediary.
- 1.73 "**Trunk**" means a communication line between two switching systems.
- 1.74 "**Undefined Terms**". The Parties acknowledge that terms may appear in this Agreement which are not defined and agree that any such terms shall be construed in accordance with their usage in the telecommunications industry as of the effective date of this Agreement, or absent such usage, the common meaning.
- 1.75 "**Wireless Service Provider**" (WSP) means a radio common carrier provider of domestic public wireless or wireless telecommunication service, as defined in Part 22, Subpart H or Part 24, of the FCC Rules and Regulations.

DEFINITIONS APPLYING TO SBC-AMERITECH ONLY:

- 1.76 "**Local Loop Transmission**", "**Unbundled Local Loop**", "**Loop**" means the transmission path which extends from the Network Interface Device or demarcation point at an End User's premise to the Main Distribution Frame or other designated frame or panel in the SBC-AMERITECH Serving Wire Center.
- 1.77 "**Switched Access Service**" means an offering of facilities for the purpose of the origination or termination of traffic from or to Exchange Service customer in a given area pursuant to a Switched Access tariff. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 Series, and 900 access. Switched Access does not include traffic exchanged between LECs for purpose of local exchange interconnection.
- 1.78 "**Mandatory Local Calls**", for purposes of intercarrier compensation, is traffic where all calls are within the same common local and common mandatory local calling area, i.e., within the same common local mandatory local calling area approved by the applicable state Commission.
- 1.79 Traffic originated by one Party's End User and terminated to the other Party's End User will be classified as "**Optional One-Way EAS**" under this Agreement where one of the Parties allows its End Users to pay a premium to place calls on a toll free basis into a specific geographic area that is greater than that End Users' basic local calling scope.

2.0 "Optical Toll Free Service" is a retail service arrangement where one of the Parties contracts with the other Party to allow its End Users to pay a premium to both place and receive calls on a toll free basis within a specific geographic area that is greater than that End Users' basic local calling scope. Only end user customers of the Parties to this agreement are specifically included within this retail calling arrangement.

2. NETWORK ARCHITECTURE

- 2.1 The Parties will work cooperatively to implement this Agreement. The Parties will exchange appropriate information (for example, maintenance contact numbers, network information, information required to comply with law enforcement and other security agencies of the Government, escalation processes, etc.) to achieve this desired result.
- 2.2 Each Party will administer its network to ensure acceptable service levels to all users of its network services. Service levels are generally considered acceptable only when End Users are able to establish connections with little or no delay encountered in the network. Each Party will provide a 24-hour contact number for Network Traffic Management issues to the other's surveillance management center.
- 2.3 Each Party maintains the right to implement protective network traffic management controls, such as "cancel to", "call gapping" or 7-digit and 10-digit code gaps, to selectively cancel the completion of traffic over its network, including traffic destined for the other Party's network, when required to protect the public-switched network from congestion as a result of occurrences such as facility failures, switch congestion or failure or focused overload. Each Party shall immediately notify the other Party of any protective control action planned or executed.
- 2.4 Where the capability exists, originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes shall not be used to circumvent normal trunk servicing. Expansive controls shall be used only when mutually agreed to by the Parties.
- 2.5 The Parties shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes to prevent or mitigate the impact of these events on the public-switched network, including any disruption or loss of service to the other Party's End Users. Facsimile (FAX) numbers must be exchanged by the Parties to facilitate event notifications for planned mass calling events.
- 2.6 Neither Party shall use any Interconnection, Resale Service, Network Element, function, facility, product or service provided under this Agreement or any other service related thereto or used in combination therewith in any manner that interferes

will not intentionally or negligently, over any service of SBC-13STATE, its affiliated companies or other connecting telecommunications carriers, prevents any carrier from using its Telecommunications Service, impairs the quality or the privacy of Telecommunications Service to other carriers or to either Party's End Users, causes hazards to either Party's personnel or the public, damage to either Party's or any connecting carrier's facilities or equipment, including any malfunction of ordering or billing systems or equipment. Upon such occurrence either Party may discontinue or refuse service, but only for so long as the other Party is violating this provision. Upon any such violation, either Party shall provide the other Party notice of the violation at the earliest practicable time.

- 2.7 The Parties agree that, unless otherwise mutually negotiated, the quality of such network connections shall be equal to that of the existing facilities that are jointly provided by the SBC-owned ILEC and LEC.

3. NETWORK CONNECTIONS

- 3.1 In each exchange area in which "SBC-OWNED ILEC" or "ILEC" wishes to terminate traffic to the other Party's end users and/or utilize the other Party's facilities for a transiting function, "SBC-OWNED ILEC" and "ILEC" at a minimum, will:

3.1.1 Route such traffic via direct network facilities to either a) each others access and local tandem(s), and/or each end office meeting the other Party's facilities at the existing Exchange Area Boundary (EAB) or, b) another mutually agreed upon point.

3.1.2 Route such traffic to the other Party utilizing another incumbent LECs facilities and/or utilizing another telecommunications carrier's facilities with whom the Party already has an agreement for exchanging like traffic. The Parties acknowledge and agree that this option would not be implemented without the written agreement of the incumbent LEC and/or other telecommunications carrier as well as the mutual consent of each of the Parties. The Parties further agree that in order for this option to be considered, it is the responsibility of the originating Party to obtain the required written permission from the incumbent LEC and/or other telecommunications carrier.

- 3.2 The Parties agree that when the traffic destined for a "SBC-OWNED ILEC" or "ILEC" access tandem reaches a level such that it is more efficient to connect via direct end office connections, "ILEC" and "SBC-OWNED ILEC" will negotiate to establish a direct end office trunk group and provide transport for that trunk group to the exchange where the "SBC-OWNED ILEC" or "ILEC" end office is located.
- 3.3 Within thirty (30) days from the effective date of this Agreement, the Parties agree to have met and developed joint planning and forecasting responsibilities which are

applied to the services described in this Agreement. Either Party may delay processing the other Party's service orders should the parties not perform obligations as specified in this Section. Such responsibilities shall include but are not limited to the following:

- 3.3.1 The Parties will establish periodic reviews of network and technology plans and will notify one another no later than six (6) months in advance of changes that would impact either Party's provision of services.
- 3.3.2 The Parties will furnish to each other, information that provides for state-wide annual forecasts of order activity, in-service quantity forecasts, and facility/demand forecasts.
- 3.3.3 The Parties will develop joint forecasting responsibilities for traffic utilization over trunk groups and yearly forecasted trunk quantities as set forth in Article IV.
- 3.3.4 The Parties shall notify each other promptly of changes greater than ten percent (10%) to current forecasts (increase or decrease) that generate a shift in the demand curve for the following forecasting period.
- 3.4 The Parties agree that if either Party establishes additional tandems in an exchange, the other Party may also connect to the additional tandems.
- 3.5 Neither Party shall deliver traffic destined to terminate at the other Party's end office via another LEC's end office. In addition, except as otherwise provided in this Agreement, neither Party shall deliver traffic destined to terminate at an end office subtending the other Party's access tandem via another LEC's access tandem. Either Party may deliver traffic destined to terminate at the other Party's end office via another LEC's tandem provided that the Parties have established compensation agreement (s) specific to this arrangement.
- 3.6 Connection to a Party's local tandem(s) will provide the connecting Party local accessibility to a Party's end offices and NXXs which subtend that tandem(s), and to other LECs which are connected to that tandem(s). Connection to a Party's EO(s) will provide the connecting Party accessibility only to the NXXs served by that individual EO(s) to which the connecting Party interconnects.
- 3.7 Connection to a Party's access tandem will provide the connecting Party interexchange access to the first Party's end offices, IXCs, LECs and WSPs which are connected to that tandem.

4 IDENTIFICATION OF TRAFFIC

- 4.1 For purposes of this Agreement and the traffic described herein, the Parties agree to compensate each other for the utilization of each other's facilities and for participation in the other party's optional two-way calling plans.
- 4.2 For purposes of computing compensation only, and not for purposes of routing traffic on the network, traffic will be segregated within the recording and billing systems on a jurisdictional basis as either Toll or EAS in nature. The EAS traffic will be further segregated between mandatory EAS and optional EAS plan traffic, as applicable, and shall in all cases be separately identified unless otherwise agreed to by both Parties.
- 4.3 The type of originating calling number transmitted depends on the protocol of the trunk signaling in use. Traditional toll protocol will be used with Multi-Frequency (MF) signaling, and ANI will be sent from the originating Party's end office switch to the terminating Party's tandem or end office switch.
- 4.4 Each Party will include, where available, in the information transmitted to the other for each call being terminated on and/or transiting the other's network the originating Calling Party Number (CPN).
- 4.5 When one Party is passing CPN but the other party is not properly receiving information, the Parties will cooperate to jurisdictionalize and rate the traffic correctly.
- 4.6 When CPN is technically available in a Parties switch, all calls originated in that switch by one Party and passed without CPN to the other Party, may be billed by the terminating party as switched access.
- 4.7 Calls involving telephone numbers assigned to one exchange rate center, as referenced in the LERG, but where the end-user customer is located in another exchange rate center, shall be considered as either FX or FGA. These arrangements, and their compensation, are to be handled in separate agreements.
- 4.8 Nothing in this Agreement shall be construed to limit or otherwise adversely impact in any manner either Party's right to employ or to request and be assigned any NANP number resources including, but not limited to, central office (NXX) codes pursuant to the Central Office Code Assignment Guidelines, or to establish, by tariff or otherwise, Exchanges and Rating Points corresponding to such NXX codes. Each Party is responsible for administering the NXX codes it is assigned to ensure compliance with the industry-approved Central Office Code (NXX) Assignment Guidelines (April 1997) and the FCC's Second Report & Order in CC Docket 95-116, released August 18, 1997 (Local Number Portability). Both Parties shall obtain separate NXX codes for each and every rate center in which they choose to operate.

This will include "SBC" and "SBC-OWNED ILEC" to identify the jurisdictional nature of traffic for intercompany compensation until such time as both Parties have implemented billing and routing capabilities to determine traffic jurisdiction on a basis other than NXX codes.

5. LOCAL EAS TRAFFIC

- 5.1 Locally dialed calls originated by one Party's End Users and terminated to the other Party's End Users will be classified as local mandatory EAS, optional one-way EAS, or optional two-way EAS. EAS generically applies to all expanded calling plan names such as EMS, EACS, and Local Plus.
- 5.2 EAS traffic must actually originate and actually terminate to end-user customers physically located within Commission approved EAS calling areas, and must be mutually recognized and identified as such by both Parties in the arrangement.
- 5.3 The parties disagree on the appropriate compensation mechanism for calls to Internet Service Providers made within the local calling area. However, for the purposes of this agreement, ISP traffic will not be considered Local Calls for intercarrier compensation. The Parties further recognize the potential for future orders by the courts or regulatory agencies relative to ISP traffic and ISP compensation, and that the Parties acknowledge and agree that by executing this Agreement, neither Party waives any of its rights, remedies or arguments with respect to any action of any legislative body, court or regulatory agency, including its rights under the Section 18 Intervening Law paragraph.
- 5.4 Nothing in this Section shall be interpreted to (i) change compensation set forth in this Agreement for the transport and termination of traffic or services other than Local Calls? (see note above) including but not limited to access traffic or wireless traffic, or (ii) allow either Party to aggregate traffic for the purpose of compensation under the arrangements described in this Section. The Parties agree that all traffic discussed in this Section including, but not limited to, mandatory two-way local EAS traffic, optional one-way EAS traffic, optional two-way EAS traffic, as well as any other optional EAS arrangements, is solely for the use of each party's End User customers. End User resale, subscriber aggregation with non-subscribers, traffic aggregation with non-subscribers, or incorporation of prohibited service combinations that change the intended purpose of the service are specifically prohibited, and the Parties agree to enforce the prohibition. An example of such prohibition is the extended use of call forwarding within an optional calling service area, which would allow an avoidance of toll charges by other than the original End User subscriber.

5.5 MANDATORY TWO-WAY LOCAL EAS

5.5.1 The Parties agree that no compensation associated with mandatory two-way local EAS traffic shall be billed or paid, by one of the Parties to the other Party, if the mandatory two-way local EAS traffic exchanged between the Parties is deemed balanced. Determination of "Balanced" traffic is achieved through a traffic study that may be requested by either Party no more frequently than once a quarter. The study area shall include all mandatory arrangements, in which both Parties participate, within the state. Should such traffic study indicate, in the aggregate, that either Party is terminating more than 60 percent of the combined Parties' total terminating minutes for mandatory two-way Local EAS Traffic, either Party may notify the other that mutual compensation for the termination of that portion of the mandatory two-way local EAS traffic outside of the "Balanced" formula will commence on the first day of the second full month following such notice ("Notice Period") and continue (i) for the duration of this Agreement or (ii) until the completion of another traffic study that shows the mandatory two-way local EAS traffic is again balanced (as defined above), whichever occurs first. The mutual compensation will be at rates to be subsequently negotiated by the Parties. Mandatory two-way local EAS traffic routed through Internet Service Providers (ISPs) shall not be included in the traffic study to determine the balancing of Local EAS Traffic described above. Nothing in this Section shall be interpreted to (i) change compensation for the transport and termination of traffic or services other than local mandatory EAS traffic, including but not limited to access traffic or wireless traffic, or (ii) allow either Party to aggregate traffic for the purpose of compensation under the arrangements described in this Section.

5.6 OPTIONAL ONE-WAY LOCAL EAS

5.6.1 The Parties agree that optional one-way EAS plans exist when participating companies allow the purchasing End User to pay a premium to place calls on a toll free basis within a specific geographic area that is greater than that End User's normal local calling scope. The Parties also agree that such optional one-way EAS plans are made available to their End Users under the auspices of a local, general exchange or hybrid tariff approved by the Commission. If you define this term in the Definitions Section, this may be duplicative.

5.6.2 The Parties mutually concur that this Agreement does not require the other party to participate in any future One-Way Local EAS plans.

5.6.3 The Parties mutually agree that compensation for the exchange of One-Way Local EAS traffic will be determined by the following formula:

$240 \times ((B-RATE \times A-CUSTOMERS \times ((B-PC) / (TOTAL PC)))$

Where:

company A = Originating plan company (paying company)

company B = Terminating company (company to be paid)

B-RATE = Stated contract rate for terminating company B reflected below

A-Customers = Number of originating subscribers in company A's plan

B-PC = terminating company B's participating customers

TOTAL PC = TOTAL of all terminating companies' participating customers

5.6.4 "Participating customers" means the adjusted customer access line count reflecting the projected terminating call path pattern or volume. I suggest you move this to definitions section.

5.6.5 The applicability of this compensation process is subject to both Parties' mutually agreeing that the traffic is recognized as being generated from a One-Way Local EAS service area, and that the volume and terminating patterns of such traffic are not inconsistent with the terms of this Agreement.

5.6.6 The B Rate used for terminating compensation for all exchanges and the resulting compensation are contained in Exhibit A, attached hereto and incorporated by reference.

5.7 OPTIONAL TWO-WAY LOCAL EAS

5.7.1 Optional two-way local EAS plans exist when participating companies allow the purchasing End User to pay a premium to place calls on a toll free basis, and provides for return calls to be made on a toll free basis within a specific geographical area that is greater than that End Users' normal local calling scope. If you define this in the definitions section, it may be duplicative to include here.

5.7.2 The Parties mutually concur that this Agreement does not require either party to participate in future optional two-way calling plans.

5.7.3 The applicability of this compensation process is subject to both Parties' mutually agreeing that the traffic is recognized as being generated from an optional two-way local EAS service area, and that the volume and terminating patterns of such traffic are not inconsistent with the terms of this Agreement.

5.7.4 The Parties mutually agree that compensation for the exchange of optional two-way plan traffic will be determined by the following formula:

$400 \times \$0.0183 \times A-CUSTOMERS \times ((B-PC) / (TOTAL PC)) -$

$266 \times \$0.0183 \times A-CUSTOMERS \times ((B-PC) / (TOTAL PC)) +$

$266 \times LTA_RATE \times A-CUSTOMERS \times ((B-PC) / (TOTAL PC))$

Where:

Company A = Originating plan company (paying company)

Company B = Terminating company (company to be paid)

A- Customers = Number of originating subscribers in company A's plan

B-PC = terminating company B's participating customers

TOTAL PC = TOTAL of all terminating companies participating customers

LTA_RATE = applicable lost toll additive rate from below.

5.7.5 The Parties agree that the Party offering the optional two-way plan to its End Users will provide lost toll compensation to the other Party in acknowledgement that the return call is required to be dialed and billed as a local call. Compensation will not apply if this same call originated from a customer who also subscribes to a calling plan which itself allows this call to be placed as a non-toll, local EAS call. Until and unless updated within Exhibit A, the lost toll compensation will be \$.024/MOU in metropolitan areas and \$.0355/MOU for non-metropolitan areas, as those areas are defined in the applicable Commission-ordered SBC-owned ILEC Local Exchange Tariff.

5.7.6 Terminating Compensation. The resulting compensation for optional two-way calling plans is contained in Exhibit A.

6. TRANSITING TRAFFIC

- 6.1 Local EAS traffic which originates on one of the Parties networks and which is passed to the other Party, transits the other Party's facilities and does not terminate to an end user belonging to that Party, is classified as "Transiting Traffic" under this agreement and will be subject to the transiting rate compensation as discussed below. This also appears as if it may belong in the definitions section. Traffic must be considered and recognized as a Local EAS service offering, as described above, by both the originating and terminating companies to be eligible for Local EAS Transit rates. Transiting traffic will include, but not be limited to, traffic originating on a Party's network which transits the other Party's facilities and is delivered to a third party such as a Wireless Service Provider or another Local Exchange Carrier.
- 6.2 If it's already defined, I see no reason to reiterate our point...The CLEC would probably strike it as redundant language anyway.
- 6.3 The "In-Region" Area Transit Traffic rate element applies to Local traffic that originates on one Party's network, transits the other Party's facilities (the transiting party) and terminates to a third party located within the exchange area of the transiting party. The Parties' mandatory and optional EAS exchange sets are listed in their respective tariffs.
- 6.4 The Market Based ("Out of Region") Transit Rate applies to local traffic that originates on one Party's network, transits the other Party's facilities and terminates

to a third party that is not located within the exchange area of the Party providing the transiting function. For this rate to apply, both the originating and terminating Parties must agree that the exchange of the traffic will be on a Local EAS basis. Although the Parties acknowledge that direct connections could be used for this traffic, the Parties agree to perform the transiting function for this traffic for the Market Based Transit Rate as outlined below.

6.5

Type of Transit Traffic	Prices Per MOU
In-Region Transit Rate	\$0.004
Market Based (Out of Region) Transit Rate	\$0.006

6.6 The transiting traffic compensation is contained in Exhibit A.

6.7 All other traffic which transits a tandem shall be treated as non-EAS, toll traffic subject to Meet-Point Billing and will be subject to compensation as provided in each Party's applicable tariff, unless otherwise agreed.

6.8 When transit traffic through the Tandem from a Party to another Local Exchange Carrier, CLEC or wireless carrier requires 12 or more trunks, that Party shall establish a direct End Office trunk group between itself and the other Local Exchange Carrier, CLEC or wireless carrier. When a transiting Party is requested by the tandem owner to establish direct trunking to other carriers, that Party shall establish and route their traffic over these facilities within 120 days of the request. Exceptions may be permitted if technological limitations or facility shortages exist. If the requested Party fails to establish or migrate their transiting traffic as requested, then the billing for such traffic will be in accordance with traffic trunk equivalent ("TTE") rates below.

6.9 The Parties agree that transiting traffic whose volumes exceed 74,330 MOUs per month in one direction to any single terminating CLLI (this is the equivalent of 12 trunks of originating traffic in a 24 two-way trunk group) will be billed for the transiting function on the basis of a trunk equivalent charge instead of the MOU rate. The rate for this usage will be based on a per trunk equivalent charge of \$71.34 per month for each originating traffic trunk equivalent. The originating TTE is calculated by assuming that transit traffic destined to any single CLLI is moved into its own unique trunk group. That trunk group is then sized based on the monthly MOU destined to that single CLLI. The TTE will be the basis of compensation for the transiting function associated with traffic sent by the originating party to the specific CLLI until the transit traffic is removed from the tandem onto direct facilities of the originating Party. All other transiting traffic will be billed at the appropriate rates as described above.

7. INTRASTATE INTRALATA INTERCOMPANY TRAFFIC

- 7.1 Traffic which originates from one of the Party's end users and terminates to the other Party's end user within the same LATA, is not associated with Wireless Service Providers and is not specifically identified as any other traffic classification will be considered Intrastate IntraLATA for purposes of this Agreement and is subject to the Intrastate IntraLATA rate compensation as discussed in paragraphs 7.2 following.
- 7.2 For intrastate intraLATA traffic between the Parties' end users, compensation for termination of such traffic to end users on the Parties' networks will be at each Party's terminating access rates for Message Telephone Service (MTS) and originating access rates for 800 Service or 800 like toll-free incoming service, as set forth in each Party's Intrastate Switched Access Tariff. The Parties agree that they will conform to existing Applicable State industry practices related to intrastate intraLATA traffic as contained in a document titled "[Applicable State] Intrastate IntraLATA Compensation Plan" which contains procedures for the recording, record exchange and billing of intrastate intraLATA traffic. The Parties further agree these procedures will be utilized for purposes of inter-company settlements under this Section and that each Party will create and exchange the appropriate category "92 type" summary records.

8. GENERAL RESPONSIBILITIES OF THE PARTIES

- 8.1 Each Party to this Agreement will be responsible for the accuracy and quality of its data as submitted to the other Party.
- 8.2 The type of originating calling number transmitted depends on the protocol of the trunk signaling used for interconnection. Traditional protocol will be used with Multi-Frequency (MF) and SS7 signaling, and ANI will be sent from the originating Party's end office switch to the terminating Party's tandem or end office switch.
- 8.3 Where one Party is passing calling party number (CPN) but the other Party is not properly receiving information, the Parties will cooperate to jurisdictionalize and rate the traffic correctly. Each Party is individually responsible to provide facilities within its network that are necessary for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in the standard format as referenced in Telcordia Technologies BOC Notes on LEC Networks Practice No. SR-TSV-002275, and to terminate the traffic it receives in that standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including the National Network Security Plan and the Emergency Preparedness Plan.
- 8.4 The Parties shall exchange technical descriptions and forecasts of their Interconnection and traffic requirements in sufficient detail necessary to establish the

Interconnections required to assure traffic completion to and from all End Users in their respective designated service areas.

- 8.5 Each Party is responsible to input required data into Routing Data Base Systems (RDBS) and into the Telcordia Technologies Rating Administrative Data Systems (BRADS) or other appropriate system(s) necessary to update the LERG unless negotiated otherwise.
- 8.6 Neither Party shall use any of the services provided in this Agreement in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other carriers or to either Party's end users, and either Party may discontinue or refuse service for so long as the other Party is violating this provision. Upon such violation, either Party shall provide the other Party notice of the violation at the earliest practicable time.
- 8.7 Each Party is solely responsible for the services it provides to its end users and to other telecommunications carriers.
- 8.8 Upon LEC signature, LEC shall provide the SBC-owned ILEC with LEC's state-specific authorized and nationally recognized OCN/AECN for Interconnection.
- 8.9 The Parties acknowledge that traffic may be originated by one Party ("Originating Party"), sent over the facilities of the other Party ("Transited Party") and destined for termination on a third parties network ("Terminating Party"). The Parties further acknowledge that the Originating Party should establish a traffic exchange agreement directly with the Terminating Party to handle direct payment of applicable compensation owed by the Originating Party to the Terminating Party for Transiting Traffic as compensation for terminating the transiting traffic. If transiting traffic is sent and the Terminating Party makes a claim for compensation against the Transited Party, the Transited Party will notify both the Originating Party and the Terminating Party that they need to resolve the matter between themselves. The Originating Party agrees to promptly pay and/or resolve, directly with the Terminating Party, any claim the Transited Party forwards to it in which a Terminating Party demands compensation. In addition, the Originating Party will, upon receiving such notification, use its good faith reasonable efforts to negotiate promptly a traffic exchange agreement with the Terminating Party if such agreement does not already exist. If so notified, the Originating Party will also indemnify, defend and hold harmless the Transited Party against claims by the Terminating Party, including, but not limited to, claims for terminating compensation, plus reasonable attorneys' fees. The Originating Party will also pay the Transited Party transiting compensation under this Agreement. The Originating Party's indemnity obligations under this paragraph for terminating compensation shall not exceed the lesser of the amount that the Originating Party or the Transited Party would have to pay the Terminating Party for similar traffic if the traffic were originated by the Transited Party or

Originating Party and terminated to the Terminating Party. In the event of litigation or a regulatory proceeding related to this paragraph, the Transited Party agrees to permit the Originating Party to participate as a party to such proceeding.

- 8.10 Each Party shall be responsible for labor relations with its own employees. Each Party agrees to notify the other Party as soon as practicable whenever such Party has knowledge that a labor dispute concerning its employees is delaying or threatens to delay such Party's timely performance of its obligations under this Agreement and shall endeavor to minimize impairment of service to the other Party (for example, by using its management personnel to perform work or by other means) in the event of a labor dispute to the extent permitted by Applicable Law.
- 8.11 Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.
- 8.12 End-User Fraud: The Parties shall work cooperatively to minimize fraud associated with third-number billed calls, calling card calls, and any other services related to this Agreement. The Parties shall not be liable to one another for any fraud associated with the other Parties End User's account, including 1+ IntraLATA toll, ported numbers, and Alternate Billing Service (ABS). ABS is a service that allows End Users to bill calls to account(s) that might not be associated with the originating line. There are three types of ABS calls: calling card, collect, and third number billed calls.
- 8.13 Billing: Unless otherwise stated, each Party will render a monthly bill to the other for Service(s) provided hereunder and as set forth in applicable Commission-ordered tariffs or other documents specifically referenced herein and, as applicable, as agreed upon by the Parties or authorized by a Party. Remittance in full will be due within thirty (30) business days of that billing date. Interest shall apply on overdue amounts at the rate specified in Section 11, unless otherwise specified in an applicable Commission-ordered tariff. Each Party reserves the right to net delinquent amounts against amounts otherwise due the other Party.
- 8.14 Headings. The headings and numbering of Sections, Parts, Appendices, Schedules and Exhibits to this Agreement are for convenience only and shall not be construed to define or limit any of the terms herein or affect the meaning or interpretation of this Agreement.
- 8.15 Referenced Documents. Unless the context shall otherwise specifically require, and subject to the Intervening Law provision in this Agreement, whenever any provision of this Agreement refers to a technical reference, technical publication, CLEC Practice, SBC-owned ILEC Practice, any publication of telecommunications industry administrative or technical standards, or any other document specifically

incorporated into this Agreement (collectively "Referenced Instrument"), it will be deemed to be a reference to the then-current version or edition (including any amendments, supplements, addenda, or successors) of each Referenced Instrument that is in effect.

8.16 **Tariff References.** Wherever any Commission ordered tariff provision or rate is cited or quoted herein, it is understood that said cite encompasses any revisions or modifications to said tariff. Wherever any Commission ordered tariff provision or rate is incorporated, cited or quoted herein, it is understood that said incorporation or reference applies only to the entity within the state whose Commission ordered that tariff. It is understood and agreed that the services and facilities to be provided by the Parties in satisfaction of this Agreement may be provided pursuant to tariffs and then current practices. Should such services and facilities be modified by tariff or by Order, including any modifications resulting from other Commission proceedings, federal court review or other judicial action, the Parties shall cooperate with one another for the purpose of incorporating required modifications, if any are deemed required, into this Agreement.

9. FORCE MAJEURE

9.1 Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, terrorist acts, riots, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, cable cuts, power blackouts, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of nonperformance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

10. AUDITS

10.1 Upon reasonable written notice and at its own expense, each Party or its authorized representative (providing such authorized representative does not have a conflict of interest related to other matters before one of the Parties) shall have the right to conduct an audit of the other Party in order to verify the accuracy of billing, provided that neither Party may request more than one such audit within any twelve (12) month period. This includes on-site audits at the other Party's or the Party's vendor locations. Each Party, whether or not in connection with an audit, shall maintain

reasonable access for a minimum of twenty-four (24) months and provide the other Party with reasonable access to such information as is necessary to determine amounts receivable or payable under this Agreement. Each Party's right to access information for audit purposes is limited to data not in excess of twenty-four (24) months in age.

11. DISPUTED AMOUNTS

- 11.1 If one Party disputes a billing statement issued by the other Party, the billed Party shall notify the billing Party in writing regarding the nature and the basis of the dispute within six months of the statement date, or the dispute shall be waived. The Parties shall diligently work toward resolution of all billing issues.
- 11.2 If any undisputed amount due on the billing statement is not received by the billing Party on the payment due date, the billing Party may charge interest on the past due balance at a rate equal to the lesser of (1) the interest rates set forth in the Applicable State Commission-ordered access tariffs or (2) one and one-half percent (1 ½ %) per month of the maximum allowable rate of interest under applicable state law. Late payment charges shall be included on the next statement.

12. DISPUTE RESOLUTION

- 12.1 The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, the Parties agree to use the following Dispute Resolution procedures with respect to any controversy or claim arising out of or relating to this Agreement or its breach.
- 12.2 Dispute Resolution shall commence upon one Party's receipt of written notice of a controversy or claim arising out of or relating to this Agreement or its breach. No Party may pursue any claim unless such written notice has first been given to the other Party.
- 12.3 Except as otherwise specifically provided for in this Agreement, no claim may be brought for any dispute arising under this Agreement more than twenty-four (24) months from the date of the occurrence that gives rise to the dispute is discovered or reasonably should have been discovered with the exercise of due care and attention.
- 12.4 Informal Dispute Resolution. Upon receipt by one Party of notice of a dispute by the other Party pursuant to this Agreement, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The location, form, frequency, duration, and conclusion of these discussions will be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative Dispute Resolution procedures such as mediation to assist in the negotiations. Discussions and the correspondence among the representatives for purposes of settlement are exempt

from discovery and production and will not be admissible in the arbitration described below or in any lawsuit without the concurrence of both Parties. Documents identified in or provided with such communications that were not prepared for purposes of the negotiations are not so exempted, and, if otherwise admissible, may be admitted in evidence in the arbitration or lawsuit.

12.5 **Formal Dispute Resolution.** If the Parties are unable to resolve the dispute through the informal procedure described above in Section 12.3 above then either Party may invoke the formal Dispute Resolution procedures described in this Section. Unless agreed among all Parties, formal Dispute Resolution procedures, including arbitration or other procedures as appropriate, may be invoked not earlier than sixty (60) calendar days after receipt of the letter initiating Dispute Resolution under Section 12.1 above.

12.6 **Claims subject to Mandatory binding arbitration:** The following claims, if not settled through informal dispute resolution, will be subject to binding arbitration pursuant to this Section:

12.6.1 Each unresolved billing dispute involving one (1) percent or less of the amounts charged to the Disputing Party under this Agreement in the state in which the dispute arises during the twelve (12) months immediately preceding receipt of the letter initiating Dispute Resolution under Section 12.1 above. If the disputing Party has not been billed for a minimum of twelve (12) months immediately preceding receipt of the letter initiating Dispute Resolution, the Parties will annualize the actual numbers of months billed.

12.7 **Claims Subject to Elective Arbitration.** Claims will be subject to elective Arbitration pursuant to Section XX below if, and only if, the claim is not settled through informal Dispute Resolution and both Parties agree to arbitration. If both Parties do not agree to arbitration, then either Party may proceed with any remedy available to it pursuant to law, equity or agency mechanism.

12.8 **Claims Not Subject to Arbitration.** If the following claims are not resolved through informal Dispute Resolution, they will not be subject to arbitration and must be resolved through any remedy available to a Party pursuant to law, equity or agency mechanism: a) any action seeking a temporary restraining order or injunction related to the purposes of this Agreement; b) all claims arising under federal or state statute(s), including but not limited to, any antitrust and/or deceptive trade practices claims; and c) actions to compel compliance with this Dispute Resolution process.

12.9 Disputes subject to mandatory or elective arbitration under the provisions of this Agreement will be submitted to a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association or pursuant to such other provider of arbitration services or rules as the Parties may agree. The arbitrator shall

be knowledgeable of telecommunications issues. Each arbitration will be held in Dallas, Texas (SBC-SWBT); Chicago, Illinois (SBC-AMERITECH), San Francisco, California (PACIFIC); Reno, Nevada (NEVADA); or New Haven, Connecticut (SNET), as appropriate, unless the Parties agree otherwise. The arbitrator will control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs upon a schedule determined by the arbitrator. The Parties will request that the arbitrator rule on the dispute by issuing a written opinion within thirty (30) calendar days after the close of hearings. The Federal Arbitration Act, 9 U.S.C. Secs. 1-16, not state law, shall govern the arbitrability of all disputes. The arbitrator will have no authority to award punitive damages, exemplary damages, Consequential Damages, multiple damages, or any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement. The times specified in this Section may be extended or shortened upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Each Party will bear its own costs of these procedures, including attorneys' fees. The Parties will equally split the fees of the arbitration and the arbitrator. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

13. NOTICES

- 13.1 Any notice to a Party required or permitted under this Agreement shall be in writing and shall be: (a) delivered personally; (b) delivered by express overnight delivery service; (c) mailed, via certified mail or first class U.S. Postal Service, with postage prepaid, and a return receipt requested; or (d) delivered by facsimile; provided that a paper copy is also sent via methods (a), (b) or (c) of this Section. Notices will be deemed given as of the earliest of: the date of actual receipt; the next Business Day when sent via express overnight delivery service; five (5) calendar days after mailing in the case of first class or certified U.S. Postal Service, or on the date set forth on the confirmation produced by the sending facsimile machine when delivered by facsimile prior to 5:00 p.m. in the recipient's time zone, but the next Business Day when delivered by facsimile at 5:00 p.m. or later in the recipient's time zone. Notices will be addressed to the Parties as follows:

NOTICE CONTACT	"LEC NAME" CONTACT	SBC-Owned ILEC(s) CONTACT
NAME/TITLE	Philip Nass	Contract Development
STREET ADDRESS	7520 English Lake Road	311 S. Akard, 9 th Floor
CITY, STATE, ZIP CODE	Newton, WI 53063	Dallas, TX 75202
FAX NUMBER		214-464-2006

13.2 Either Party may unilaterally change its designated contact, address, telephone number and/or facsimile number for the receipt of notices by giving written notice to the other Party in compliance with this Section. Any notice to change the designated contact, address, telephone and/or facsimile number for the receipt of notices shall be deemed effective ten (10) calendar days following receipt by the other Party.

13.3 NOTICE OF CHANGES

13.3.1 Nothing in this Agreement shall limit either Party's ability to upgrade its network through the incorporation of new equipment, new software or otherwise. Each Party agrees to comply with the Network Disclosure rules adopted by the FCC in CC Docket No. 96-98, Second Report and Order, codified at 47 C.F.R. 51.325 through 51.335, as such rules may be amended from time to time (the "**Network Disclosure Rules**").

14. PUBLICITY AND USE OF TRADEMARKS OR SERVICE MARKS

14.1 The Parties agree not to use in any advertising or sales promotion, press releases, or other publicity matters any endorsements, direct or indirect quotes, or pictures implying endorsement by the other Party or any of its employees without such Party's prior written approval. The Parties will submit to each other for written approval, prior to publication, all publicity matters that mention or display one another's name and/or marks or contain language from which a connection to said name and/or marks may be inferred or implied; the Party to whom a request is directed shall respond promptly. Nothing herein, however, shall be construed as preventing either Party from publicly stating the fact that it has executed this Agreement with the other Party.

14.2 Nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, logos, proprietary trade dress or trade names of the other Party in any advertising, press releases, publicity matters, marketing and/or promotional materials or for any other commercial purpose without prior written approval from such other Party.

15. CONFIDENTIALITY

15.1 All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data; (i) furnished by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") dealing with customer-specific, facility-specific, or usage-specific information, other than customer information communicated for the purpose of publication or directory database inclusion, 911, call processing, billing or settlement or as otherwise mutually agreed upon; or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as

"Confidential" or "Proprietary" or (iii) communicated orally and declared to the Receiving Party at the time of delivery, or by written notice given to the Receiving Party within ten (10) days after declaration to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall be considered confidential and proprietary and remain the property of the Disclosing Party.

- 15.2 Upon request by the Disclosing Party, the Receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic, or otherwise. In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Proprietary Information and other documents, work papers and other material (including all copies thereof) obtained from the other Party in connection with this Agreement.
- 15.3 Each Party shall keep all the other Party's Proprietary Information confidential in the same manner in which it keeps its own Proprietary Information confidential, and shall use the other Party's Proprietary Information only for performing the covenants contained in the Agreement and shall disclose such Proprietary Information only to those employees, contractors, agents or Affiliates who have a need to know. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.
- 15.4 Unless otherwise agreed, the obligations of confidentiality and nonuse set forth in the Agreement do not apply to such Proprietary Information that:
- (a) was at the time of receipt, already known to the Receiving Party, free of any obligation to keep confidential and evidenced by written records prepared prior to delivery by the Disclosing Party;
 - (b) is, or becomes publicly known through no wrongful act of the receiving Party;
 - (c) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the Disclosing Party with respect to such information;
 - (d) is independently developed by an employee, agent, or contractor of the Receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information;
 - (e) is disclosed to a third person by the Disclosing Party without similar restrictions on such third person's rights;
 - (f) is approved for release by written authorization of the Disclosing Party;
 - (g) is required to be made public by the Receiving Party pursuant to applicable law or regulation provided that the Receiving party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then either seek appropriate protective relief from all or part of such requirement or, if it fails to successfully do so, it shall be deemed to have waived the Receiving Party's

compliance with Section 16.01 with respect to all or part of such requirement. The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to obtain. Notwithstanding, either Party shall be entitled to disclose confidential information on a confidential basis to regulatory agencies upon request for information as to either Party's activities under the Act.

- (h) is made available to other parties pursuant to Section 8.10 provisions.
- (i) The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.

15.5 Notwithstanding any of the foregoing, SBC-13STATE shall be entitled to disclose Proprietary Information on a confidential basis to regulatory agencies upon request and SBC-13STATE need not provide prior written notice of such disclosure to LEC if SBC-13STATE has obtained an appropriate order for protective relief or other reliable assurance that confidential treatment shall be accorded to such Confidential and/or Proprietary Information.

15.6 The Parties agree that an impending or existing violation of any provision of this Section would cause the Disclosing Party irreparable injury for which it would have no adequate remedy at law, and agree that Disclosing Party shall be entitled to obtain immediate injunctive relief prohibiting such violation, in addition to any other rights and remedies available to it at law or in equity, including both specific performance and monetary damages. In the event of any breach of this Section for which legal or equitable relief is sought, all reasonable attorney's fees and other reasonable costs associated therewith shall be recoverable by the prevailing Party.

16. GOVERNING LAW

16.1 Unless otherwise provided by Applicable Law, this Agreement shall be governed by and construed in accordance with the Act, the FCC Rules and Regulations interpreting the Act and other applicable federal law. To the extent that federal law would apply state law in interpreting this Agreement, the domestic laws of the state in which the Interconnection, functions, facilities, products and Services at issue are furnished or sought shall apply, without regard to that state's conflict of laws principles. The Parties submit to personal jurisdiction in Little Rock, Arkansas; San Francisco, California; New Haven, Connecticut; Chicago, Illinois; Indianapolis, Indiana; Topeka, Kansas; Detroit, Michigan; St. Louis, Missouri; Reno, Nevada; Columbus, Ohio; Oklahoma City, Oklahoma; Dallas, Texas and Milwaukee, Wisconsin, and waive any and all objection to any such venue.

16.2 Non-Voluntary Provisions

16.2.1 This Agreement incorporates certain rates, terms and conditions that were not voluntarily negotiated by SBC-13STATE, but instead resulted from determinations made in arbitrations under Section 252 of the Act or from other requirements of regulatory agencies or state law (individually and collectively, a "Non-Voluntary Arrangement"). SBC-13STATE has identified some, but not all, of the Non-Voluntary Arrangements contained in this Agreement, by designating such provisions with asterisks. If any Non-Voluntary Arrangement is modified as a result of any order or finding by the FCC, the appropriate Commission or a court of competent jurisdiction, any Party may, by providing written notice to the other Party, require that any affected Non-Voluntary Arrangement (and any related rates, terms and conditions) be deleted or renegotiated, as applicable, in good faith and this Agreement amended accordingly. If such modifications to this Agreement are not executed within sixty (60) calendar days after the date of such notice, a Party may pursue its rights under Section 17, Dispute Resolution.

16.2.2 The Parties acknowledge that the Non-Voluntary Arrangements contained in this Agreement shall not be available in any state other than the state that originally imposed/required such Non-Voluntary Arrangement. By way of example only, the Parties acknowledge that the PUCO's imposition in Ohio of the Minimum Telephone Service Standards (and all terms and conditions relating thereto) shall not apply in or be "portable to" any state other than Ohio.

16.3 State-Specific Rates, Terms and Conditions

16.3.1 For ease of administration, this multistate Agreement contains certain specified rates, terms and conditions which apply only in a designated state ("state-specific terms"). To the extent that this Agreement contains specified rates, terms and conditions which apply only in a given state, such rates, terms and conditions shall not apply and shall have no effect in any other state(s).

17. WORK PRODUCT

17.1 This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

18. INTERVENING LAW

18.1 This Agreement is entered into as a result of both private negotiation between the Parties and the incorporation of some of the results of arbitration by the Commissions. In the event that any of the rates, terms and/or conditions herein, or any of the laws or regulations that were the basis or rationale for such rates, terms and/or conditions in the Agreement, are invalidated, modified or stayed by any action of any state or federal regulatory or legislative bodies or courts of competent jurisdiction, including but not limited to any decision by the Eighth Circuit relating to any of the costing/pricing rules adopted by the FCC in its First Report and Order, *In re: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 15499 (1996)(e.g., Section 51.501, et seq.), upon review and remand from the United States Supreme Court, in *AT&T Corp. v. Iowa Utilities Bd.*, 119 S. Ct. 721 (1999) or *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (June 1, 1999), the affected provision shall be immediately invalidated, modified, or stayed, consistent with the action of the legislative body, court, or regulatory agency upon the written request of either Party. In such event, the Parties shall expend diligent efforts to arrive at an agreement regarding the appropriate conforming modifications to the Agreement. If negotiations fail, disputes between the Parties concerning the interpretation of the actions required or provisions affected by such governmental actions shall be resolved pursuant to the dispute resolution process provided for in this Agreement. Without limiting the general applicability of the foregoing, the Parties acknowledge that on January 25, 1999, the United States Supreme Court issued its opinion in *AT&T Corp. v. Iowa Utilities Bd.*, 119 S. Ct. 721 (1999) and on June 1, 1999, the United States Supreme Court issued its opinion in *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (1999). In addition, the Parties acknowledge that on November 5, 1999, the FCC issued its Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-96 (FCC 99-238), including the FCC's Supplemental Order issued *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, in CC Docket No. 96-98 (FCC 99-370) (rel. November 24, 1999), portions of which become effective thirty (30) days following publication of such Order in the Federal Register (February 17, 2000) and other portions of which become effective 120 days following publication of such Order in the Federal Register (May 17, 2000). The Parties further acknowledge and agree that by executing this Agreement, neither Party waives any of its rights, remedies, or arguments with respect to such decisions and any remand thereof, including its right to seek legal review or a stay pending appeal of such decisions or its rights under this Intervening Law paragraph.

19. TAXES

19.1 Each Party purchasing products or services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees, or surcharges (hereinafter "Tax") imposed on or with respect

to the products or services provided by or to such Party except for any Tax on either Party's corporate existence, status, or income. Whenever possible, these amounts shall be billed as a separate item on the invoice.

- 19.2 With respect to any purchase of services, facilities or other arrangements, if any Tax is required or permitted by applicable law to be collected from the purchasing Party by the providing Party, then: (i) the providing Party shall bill the purchasing party for such Tax; (ii) the purchasing Party shall remit such Tax to the providing party; and (iii) the providing Party shall remit such collected Tax to the applicable taxing authority. Failure to include Taxes on an invoice or to state a Tax separately shall not impair the obligation of the purchasing Party to pay any Tax. Nothing shall prevent the providing Party from paying any Tax to the appropriate taxing authority prior to the time: (1) it bills the purchasing Party for such Tax, or (2) it collects the Tax from the purchasing Party. Notwithstanding anything in this Agreement to the contrary, the purchasing Party shall be liable for and the providing Party may collect Taxes which were assessed by or paid to an appropriate taxing authority within the statute of limitations period but not included on an invoice within four (4) years after the Tax otherwise was owed or due.
- 19.3 If the providing Party fails to bill or to collect any Tax as required herein, then, as between the providing Party and the purchasing Party: (i) the purchasing Party shall remain liable for such uncollected Tax; and (ii) the providing Party shall be liable for any penalty and interest assessed with respect to such uncollected Tax by such authority. However, if the purchasing Party fails to pay any Taxes properly billed, then, as between the providing Party and the purchasing Party, the purchasing Party will be solely responsible for payment of the Taxes, penalty and interest.
- 19.4 If the purchasing Party fails to impose and/or collect any Tax from End Users as required herein, then, as between the providing Party and the purchasing Party, the purchasing Party shall remain liable for such uncollected Tax and any interest and penalty assessed thereon with respect to the uncollected Tax by the applicable taxing authority. With respect to any Tax that the purchasing Party has agreed to pay or impose on and/or collect from End Users, the purchasing Party agrees to indemnify and hold harmless the providing Party for any costs incurred by the providing Party as a result of actions taken by the applicable taxing authority to collect the Tax from the providing Party due to the failure of the purchasing Party to pay or collect and remit such Tax to such authority.
- 19.5 If either Party is audited by a taxing authority or other Governmental Authority, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.
- 19.6 With respect to any Tax or Tax controversy covered by this Section, the purchasing Party is entitled to contest with the imposing jurisdiction, pursuant to Applicable

law and at its own expense, any Tax that it is ultimately obligated to pay or collect. The purchasing Party will ensure that no lien is attached to any asset of the providing Party as a result of any contest. The purchasing Party shall be entitled to the benefit of any refund or recovery of amounts that it had previously paid resulting from such a contest. Amounts previously paid by the providing Party shall be refunded to the providing Party. The providing Party will cooperate in any such contest.

20. NON-ASSIGNMENT

20.1 Except as provided in this paragraph, neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party; provided that each Party may assign this Agreement to a corporate Affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prompt written notice to the other Party of such assignment or transfer. Any costs associated with updating either Party's accounts in the other Party's systems to accept the identity or name of the new entity shall be paid by the assigning Party prior to when such assignment shall be effective. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

21. NON-WAIVER

21.1 Except as otherwise specified in this Agreement, no waiver of any provision of this Agreement and no consent to any default under this Agreement shall be effective unless the same is in writing and properly executed by or on behalf of the Party against whom such waiver or consent is claimed. Waiver by either Party of any default by the other Party shall not be deemed a waiver of any other default. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege. No course of dealing or failure of any Party to strictly enforce any term, right, or condition of this Agreement in any instance shall be construed as a general waiver or relinquishment of such term, right or condition.

22. WARRANTIES

22.1 EXCEPT AS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, NO PARTY MAKES OR RECEIVES ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE INTERCONNECTION, FUNCTIONS, FACILITIES, PRODUCTS AND SERVICES IT PROVIDES UNDER OR IS CONTEMPLATED TO PROVIDE UNDER THIS AGREEMENT AND EACH PARTY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, NO PARTY TO THIS

AGREEMENT ASSUMES RESPONSIBILITY WITH REGARD TO THE CORRECTNESS OF DATA OR INFORMATION SUPPLIED BY ANY OTHER PARTY TO THIS AGREEMENT WHEN THIS DATA OR INFORMATION IS ACCESSED AND USED BY A THIRD PARTY.

23. INDEMNIFICATION

- 23.1 Except as otherwise provided herein, each Party shall be responsible only for service(s) and facility(ies) which are provided by that Party, its authorized agents, subcontractors, or others retained by such parties and neither Party shall bear any responsibility for the service(s) and facility(ies) provided by the other Party, its agents, subcontractors, or others retained by such parties.
- 23.2 Except as otherwise provided herein, and to the extent not prohibited by law and not otherwise controlled by tariff, each Party (the "Indemnifying Party") shall release, defend and indemnify the other Party (the "Indemnified Party") and hold such Indemnified Party harmless against any loss to a third party arising out of the negligence or willful misconduct by such Indemnifying Party, its agents, its End Users, contractors, or others retained by such parties, in connection with the Indemnifying Party's provision of services or functions under this Agreement, provided, however, that (i) with respect to employees or agents of the Indemnifying Party, such Fault occurs while performing within the scope of their employment, (ii) with respect to subcontractors of the Indemnifying Party, such Fault occurs in the course of performing duties of the subcontractor under its subcontract with the Indemnifying Party, and (iii) with respect to the Fault of employees or agents of such subcontractor, such Fault occurs while performing within the scope of their employment by the subcontractor with respect to such duties of the subcontractor under the subcontract.
- 23.3 In the case of any loss alleged or made by an End User of either Party, the Party whose End User alleged or made such loss ("Indemnifying Party") shall defend and indemnify the other Party ("Indemnified Party") against any and all such claims or loss by its End Users regardless of whether the underlying service or product was provided by, or unbundled network element was provisioned by, the Indemnified Party, unless the loss was caused by the gross negligence or intentional misconduct of the Indemnified Party.
- 23.4 Each Party shall be released, indemnified, defended and held harmless by the other Party ("Indemnifying Party") against any loss arising from the Indemnifying Party's use of services or elements provided under this Agreement involving:
- 23.4.1 Any claim or Loss arising from such Indemnifying Party's use of products and services offered under this Agreement, involving any Claim for libel, slander, invasion of privacy, or infringement of Intellectual Property rights arising from the Indemnifying Party's or its End User's use.

- 23.4.2 The foregoing includes any Claims or Losses arising from disclosure of any End User-specific information associated with either the originating or terminating numbers used to provision products or services provided hereunder and all other Claims arising out of any act or omission of the End User in the course of using any products or services provided pursuant to this Agreement.
- 23.4.3 The foregoing includes any Losses arising from Claims for actual or alleged infringement of any Intellectual Property right of a Third Party to the extent that such Loss arises from an Indemnifying Party's or an Indemnifying Party's End User's use of products or services provided under this Agreement; provided, however, that an Indemnifying Party's obligation to defend and indemnify the Indemnified Party shall not apply:
- 23.4.3.1 where an Indemnified Party or its End User modifies products or services; provided under this Agreement; and
- 23.4.3.2 no infringement would have occurred without such modification.
- 23.4.4 This section includes, but is not limited to, suits arising from any act or omission of an End User in the course of using services or functions provided pursuant to this Agreement.
- 23.5 Whenever a claim shall arise for indemnification under this Section, the relevant Indemnified Party, as appropriate, shall promptly notify the Indemnifying Party and request in writing the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such claim.
- 23.6 The Indemnifying Party shall have the right to defend against such liability or assertion, in which event the Indemnifying Party shall give written notice to the Indemnified Party of acceptance of the defense of such claim and the identity of counsel selected by the Indemnifying Party.
- 23.7 Until such time as Indemnifying Party provides written notice of acceptance of the defense of such claim, the Indemnified Party shall defend such claim, at the expense of the Indemnifying Party, subject to any right of the Indemnifying Party to seek reimbursement for the costs of such defense in the event that it is determined that Indemnifying Party had no obligation to indemnify the Indemnified Party for such claim.
- 23.8 Upon accepting the defense, the Indemnifying Party shall have exclusive right to control and conduct the defense and settlement of any such claims, subject to consultation with the Indemnified Party. So long as the Indemnifying Party is

controlling and conducting the defense. The Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement.

23.9 At any time, an Indemnified Party shall have the right to refuse a compromise or settlement, and, at such refusing Party's cost, to take over such defense; provided that, in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the refusing Party against, any cost or liability in excess of such refused compromise or settlement.

23.10 With respect to any defense accepted by the Indemnifying Party, the Indemnified Party will be entitled to participate with the Indemnifying Party in such defense if the claim requests equitable relief or other relief that could affect the rights of the Indemnified Party, and shall also be entitled to employ separate counsel for such defense at such Indemnified Party's expense.

23.11 If the Indemnifying Party does not accept the defense of any indemnified claim as provided above, the Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party.

23.12 In the event of a failure to assume the defense, the Indemnified Party may negotiate a settlement, which shall be presented to the Indemnifying Party. If the Indemnifying Party refuses to agree to the presented settlement, the Indemnifying Party may take over the defense. If the Indemnifying Party refuses to agree to the presented settlement and refuses to take over the defense, the Indemnifying Party shall be liable for any reasonable cash settlement not involving any admission of liability by the Indemnifying Party, though such settlement may have been made by the Indemnified Party without approval of the Indemnifying Party, it being the Parties' intent that no settlement involving a non-monetary concession by the Indemnifying Party, including an admission of liability by such Party, shall take effect without the written approval of the Indemnifying Party.

23.13 Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such claim and the relevant records of each Party shall be available to the other Party with respect to any such defense.

24. LIMITATION OF LIABILITY

24.1 Except for indemnity obligations expressly set forth herein or as otherwise expressly provided in specific appendices, each Party's liability to the other Party for any Loss relating to or arising out of such Party's performance under this Agreement, including any negligent act or omission (whether willful or inadvertent), whether in contract, tort or otherwise, including alleged breaches of this Agreement and causes of action alleged to arise from allegations that breach of this Agreement also

constitute a violation of a statute, including the Act, shall not exceed in total the amount a Party has charged or would have charged to the other Party for the affected Interconnection, functions, facilities, products and service(s) that were not performed or were improperly performed.

- 24.2 Except for losses alleged or made by an End User of either Party and except as otherwise provided in specific appendices, in the case of any loss alleged or made by a third party arising under the negligence or willful misconduct of both Parties, each Party shall bear, and its obligation under this section shall be limited to, that portion (as mutually agreed to by the Parties) of the resulting expense caused by its own negligence or willful misconduct or that of its agents, servants, contractors, or others acting in aid or concert with it.
- 24.3 A Party may, in its sole discretion, provide in its tariffs and contracts with its End Users or Third Parties that relate to any Interconnection, functions, facilities, products and services provided or contemplated under this Agreement that, to the maximum extent permitted by Applicable Law, such Party shall not be liable to such End User or Third Party for (i) any Loss relating to or arising out of this Agreement, whether in contract, tort or otherwise, that exceeds the amount such Party would have charged the End User or Third Party for the Interconnection, functions, facilities, products and services that gave rise to such Loss and (ii) any Consequential Damages. If a Party elects not to place in its tariffs or contracts such limitation(s) of liability, and the other Party incurs a Loss as a result thereof, the first Party shall indemnify and reimburse the other Party for that portion of the Loss that would have been limited had the first Party included in its tariffs and contracts the limitation(s) of liability described in this Section.
- 24.4 Except to the extent (if at all) prohibited by law or public policy, neither "ILEC" nor "SBC-OWNED ILEC" shall be liable to the other Party for any indirect, incidental, consequential, reliance, special or punitive damages suffered by the other Party (including, without limitation, damages for harm to business, loss of anticipated revenues, savings, or profits, or other economic loss suffered by such other Party), regardless of the form of action, whether in contract, warranty, strict liability, tort or otherwise, including without limitation negligence of any kind, whether active or passive, (and including alleged breaches of this Agreement and causes of action alleged to arise from allegations that breach of this Agreement constitutes a violation of the Federal Telecommunications Act or other statute) and regardless of whether the Parties knew or had been advised of the possibility that such damages could result, in connection with or arising from anything said, omitted, or done hereunder or related hereto including willful acts or omissions (collectively, "Consequential Damages"); provided that the foregoing shall not limit a Party's obligation under this Agreement to indemnify, defend, and hold the other Party harmless against any amounts payable to a third party, including any losses, costs, fines, penalties, criminal or civil judgments or settlements, expenses (including attorney's fees) and Consequential Damages of such third party. Except as provided in the prior

sentences, each Party hereby releases and holds harmless the other Party (and such other Party's affiliates, and their respective officers, directors, employees and agents) from any such claim.

24.5 CLEC hereby releases **SBC-13STATE** from any and all liability for damages due to errors or omissions in CLEC's End User listing information as provided by CLEC to **SBC-13STATE** under this Agreement, including any errors or omissions occurring in CLEC's End User listing information as it appears in the White Pages directory, including, but not limited to, special, indirect, Consequential, punitive or incidental damages.

24.6 **SBC-13STATE** shall not be liable to CLEC, its End User or any other Person for any Loss alleged to arise out of the provision of access to 911 service or any errors, interruptions, defects, failures or malfunctions of 911 service.

24.7 This Section is not intended to exempt any Party from liability under this Agreement, but only to set forth the scope of damages that are recoverable. Both Parties acknowledge that they negotiated regarding alternate limitation of liability provisions but that such provisions would have altered the cost, and thus the price, of providing the interconnection and services hereunder and no different pricing reflecting different costs and different limits of liability was agreed to.

25. THIRD PARTY BENEFICIARIES; DISCLAIMER OF AGENCY

25.1 This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein express or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

26. NO LICENSE

26.1 Except as otherwise provided in this Agreement, no license under patents, copyrights or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

27. SURVIVAL

27.1 The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement including but not limited to Indemnification, Limitation of Liability and Confidentiality.

28. SEVERABILITY

28.1 If any provision of this Agreement is rejected or held to be illegal, invalid or unenforceable, each Party agrees that such provision shall be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby. If necessary to effect the intent of the Parties, the Parties shall negotiate in good faith to amend this Agreement to replace the unenforceable language with enforceable language that reflects such intent as closely as possible. The Parties negotiated the terms and conditions of this Agreement for Interconnection, services and Network Elements as a total arrangement and it is intended to be nonseverable.

29. COMPLIANCE WITH LAW

29.1 Each Party shall comply with all federal, state, and local laws, rules and regulations applicable to its performance under this Agreement.

30. LAW ENFORCEMENT

30.1 SBC-owned ILEC(s) and LEC shall handle law enforcement requests as follows:

30.1.1 Intercept Devices: Local and federal law enforcement agencies periodically request information or assistance from local telephone service providers. When either Party receives a request associated with an end user of the other Party, it shall refer such request to the Party that serves such end user, unless the request directs the receiving Party to attach a pen register, trap-and-trace or form of intercept on the Party's facilities, in which case that Party shall comply with any valid request.

30.1.2 Subpoenas: If a Party receives a subpoena for information concerning an end user the Party knows to be an end user of the other Party, it shall refer the subpoena to the requesting Party with an indication that the other Party is the responsible company, unless the subpoena requests records for a period of time during which the Party was the end user's service provider, in which case the Party will respond to any valid request.

30.1.3 Emergency: If a Party receives a request from a law enforcement agency for temporary number change, temporary disconnect, or one-way denial of outbound calls for an end user of the other Party by the receiving Party's switch, that Party will comply with an valid emergency request. However, neither Party shall be held liable for any claims or damages arising from compliance with such requests on behalf of the other Party's end user and the Party serving such end user agrees to indemnify and hold the other Party harmless against any and all such claims.

31. TERM AND TERMINATION

31.1 **The Effective Date of this Agreement shall be thirty (30) days after the date that each of the Parties have executed this Agreement.** The initial term of this Agreement shall be ninety (90) days ("the Term"). Thereafter, this Agreement shall continue in full force and effect unless and until terminated by one or all of the Parties as provided in this Agreement.

31.2 This Agreement may be terminated by either Party at any time whatsoever (either prior to or following expiration of the Term set forth above, for any reason whatsoever, by providing written notice of termination at least ninety (90) days in advance to the other Party.

31.3 Upon termination or expiration of this Agreement in accordance with this Section, above:

31.3.1 Each Party shall continue to comply with its obligations set forth in Section Confidentiality and

31.3.2 Each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement; and upon termination or expiration of this Agreement, each Party shall promptly pay all amounts (including any late payment charges) owed under this Agreement or place disputed amounts into an escrow account.

31.3.3 Each Party's indemnification obligations shall survive.

31.4 If upon expiration or termination the Parties are negotiating a successor agreement, during such period each Party shall continue to perform its obligations and provide the services described herein until such time as the successor agreement becomes effective. If the Parties are unable to negotiate a successor agreement within the statutory time frame set for negotiations under the Act, then either Party has the right to submit this matter to the Commission for resolution pursuant to the statutory rules for arbitration under the Act. The Parties acknowledge and agree that when the successor Agreement has been fully executed by both Parties, the rates, terms and conditions of the successor agreement shall apply retroactively back to the effective

termination of this Agreement and the Parties shall true-up to that date all payments made under the previous Agreement between the Parties between the effective termination date of this Agreement and the full execution of the successor Agreement. Such retroactive true-up shall be completed within ninety (90) calendar days following execution of the successor agreement by both Parties.

31.5 Upon termination or expiration of this Agreement:

31.5.1 Each Party shall continue to comply with its obligations in the Confidentiality Section of this Agreement;

31.5.2 Each Party shall promptly pay all amounts owed under this Agreement or place any Disputed Amounts into an escrow account that complies with Section 8.4 hereof;

31.5.3 Each Party's indemnification obligations shall survive; and

31.5.4 Each Party shall comply with the Survival clause in this Agreement.

32. ENTIRE AGREEMENT

32.1 The terms contained in this Agreement and any Exhibits, tariffs and other documents or instruments referred to herein, which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written.

33. INCORPORATION BY REFERENCE

33.1 This Agreement and every interconnection or service provided hereunder, shall be subject to all rates, terms and conditions contained in this Agreement or its appendices or attachments which are legitimately related to such interconnection or service and all such rates, terms and conditions are incorporated by reference herein and as part of every interconnection or service provided hereunder. The Parties agree that except for Section 13. Notices, each of the sections of this Agreement are legitimately related to and to be applicable to each interconnection or service provided hereunder.

34. RELATIONSHIP OF THE PARTIES/INDEPENDENT CONTRACTOR

34.1 Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of its employees assisting in the performance of such obligations. Each Party and each Party's contractor(s) shall be solely responsible for

all matters relating to payment of such employees, including the withholding or payment of all applicable federal, state and local income taxes, social security taxes and other payroll taxes with respect to its employees, as well as any taxes, contributions or other obligations imposed by applicable state unemployment or workers' compensation acts and all other regulations governing such matters. Each Party has sole authority and responsibility to hire, fire and otherwise control its employees.

34.2 Nothing contained herein shall constitute the Parties as joint venturers, partners, employees or agents of one another, and neither Party shall have the right or power to bind or obligate the other. Nothing herein will be construed as making either Party responsible or liable for the obligations and undertakings of the other Party. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name or on behalf of the other Party unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

35. MULTIPLE COUNTERPARTS

35.1 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

36. SUBCONTRACTORS

36.1 If either Party retains or engages any subcontractor to perform any of that Party's obligations under this Agreement, each Party will remain fully responsible for the performance of this Agreement in accordance with its terms, including any obligations either Party performs through subcontractors.

36.2 Each Party will be solely responsible for payments due that Party's subcontractors.

36.3 No subcontractor will be deemed a Third Party beneficiary for any purposes under this Agreement.

36.4 No contract, subcontract or other agreement entered into by either Party with any Third Party in connection with the provision of Interconnection, Resale Services, Network Elements, functions, facilities, products and services hereunder will provide for any indemnity, guarantee or assumption of liability by the other Party to this

Agreement will be subject to such arrangement except as consented to in writing by the other Party.

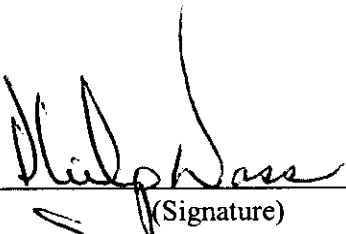
- 36.5 Any subcontractor that gains access to CPNI or Proprietary Information covered by this Agreement shall be required by the subcontracting Party to protect such CPNI or Proprietary Information to the same extent the subcontracting Party is required to protect such CPNI or Proprietary Information under the terms of this Agreement.

37. AMENDMENTS AND MODIFICATIONS

- 37.1 No provision of this Agreement shall be deemed amended or modified by either Party unless such an amendment or modification is in writing, dated, and signed by an authorized representative of both Parties.
- 37.2 Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives.

Lakefield Communications, Inc.

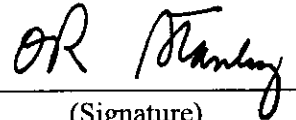
BY: 
(Signature)

NAME: Philip Nass
(Printed)

TITLE: President

DATE: 6/18/01

**Wisconsin Bell Inc. d/b/a Ameritech
Wisconsin
by SBC Telecommunications, Inc., its
authorized agent**

BY: 
(Signature)

NAME: O. R. Stanley
(Printed)

/s/ TITLE: President-Industry Markets

DATE: JUN 26 2001

EXHIBIT A

COMPENSATION

This compensation was figured by applying the formulas contained in Sections 5 and 6 of this Agreement, and applies only to the original Parties to this Agreement. The utilization of these formulae by any other parties will require adjustments to reflect each company's profiles and its adjusted compensation. Profiles include, but are not limited to, exchange access lines, customer counts within the exchanges, subscriber counts by calling plans, derived originating traffic volumes, derived terminating patterns, and percent participation relative to the aggregate participation within each exchange.

ALL COMPENSATION IS MONTHLY UNLESS INDICATED OTHERWISE

<u>PERIOD STARTING <date></u>	<u>"ILEC" PAYMENT</u>	<u>"SBC-OWNED ILEC" PAYMENT</u>
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Model Version XXX, Date

B Rates:

"ILEC" \$0XXX	
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"SBC-OWNED ILEC" \$0XXX	
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Compensation:

OPTIONAL ONE-WAY PLANS	\$XXXX.XX	\$XXXX.XX
OPTIONAL TWO-WAY PLANS	\$XXXX.XX	\$XXXX.XX
TRANSIT	\$XXXX.XX	\$XXXX.XX